
ZULIMA V. FARBER, ATTORNEY GENERAL OF NEW JERSEY
Richard J. Hughes Justice Complex
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Attorney for Plaintiffs

By: A. Paul Stofa
Deputy Attorney General
(609) 984-5016

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION - BERGEN COUNTY
DOCKET NO. BER-L-3382-02

NEW JERSEY DEPARTMENT OF	:	
ENVIRONMENTAL PROTECTION, et	:	<u>Civil Action</u>
al.,	:	
	:	CONSENT JUDGMENT
Plaintiffs,	:	
	:	
v.	:	
	:	
TECT, INC., et al.,	:	
	:	
Defendants.	:	

This matter was opened to the Court by ZULIMA V. FARBER, Attorney General of New Jersey, A. Paul Stofa, Deputy Attorney General appearing, attorney for plaintiffs New Jersey Department of Environmental Protection and the Administrator of the New Jersey Spill Compensation Fund, and Schiffman, Abraham, Kaufman & Ritter, P.C., Steven L. Davis, Esq. appearing, as attorneys for defendants Alacer, Corp. and the Estate of James W. Patrick; and the parties have amicably resolved their dispute before trial:

I. BACKGROUND

A. Plaintiffs New Jersey Department of Environmental Protection ("DEP"), and the Administrator of the New Jersey Spill Compensation Fund ("Administrator") (collectively, "the Plaintiffs") initiated this action on April 25, 2002, by filing a complaint against defendants Alacer Corp., which Plaintiffs contend is the successor to defendant Tect, Inc., and the Estate of James W. Patrick (Alacer Corp. and the Estate of James W. Patrick comprising the "Settling Defendants"), and others, pursuant to the New Jersey Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 to -23.24, which complaint the Plaintiffs subsequently amended on three occasions.

B. This action relates to premises once owned and utilized by defendant Tect, Inc., a defunct New Jersey corporation which filed for bankruptcy protection in 1972.

C. The Tect, Inc. site consists of approximately 2.25 acres of real property located at 254 Livingston Avenue, Borough of Northvale, Bergen County ("the Tect Property"), and all other areas where any hazardous substance discharged there has become located (collectively, "the Site").

D. The Tect Property is located in a mixed-use, commercial and industrial area, and is bounded to the north and south by commercial properties, to the west by Livingston Avenue, and to the east by Pegasus Avenue.

E. The Tect Property is located within 0.5 miles of the Sparkill Creek, Sparkill Brook, and Cooper Pond.

F. Plaintiffs DEP and Administrator in their complaint, as amended, seek reimbursement of the costs they claim to have incurred, and will incur, to remediate the Site, and damages for any natural resource of this State they contend has been, or may be, injured by the discharges of hazardous substances at the Tect Property.

G. The Settling Defendants subsequently filed responsive pleadings in which they deny liability, assert various defenses to the allegations contained in the Plaintiffs' complaint, as amended, and claim additional facts, defenses or circumstances which Settling Defendants contend mitigate their responsibility, liability or the amount of damages claimed, all as discovered or developed during the course of the litigation. The Settling Defendants also deny that Alacer Corp. is a successor to Tect, Inc.

H. By entering into this Consent Judgment, the Settling Defendants do not admit any liability arising from the transactions or occurrences the Plaintiffs allege in the complaint, as amended, filed in this action, it being the position of the Settling Defendants that the primary reason for terminating the litigation at this stage is to avoid the costs and time consumed by the matter with respect to the litigation, resolving all issues and claims with finality and avoiding any further proceedings.

I. The Plaintiffs allege, and the Settling Defendants contest, that from in or about September 1957 through in or about January 1972, "hazardous substances," as defined in N.J.S.A. 58:10-23.11b., were not satisfactorily stored or contained at the Tect Property within the meaning of N.J.S.A. 58:10-23.11f.b.(2), certain of which were "discharged" there within the meaning of N.J.S.A. 58:10-23.11b. and N.J.S.A. 58:10-23.11f.a.(1). Plaintiffs further allege, and the Settling Defendants contest, that from in or about September 1957, continuing through the present date, such hazardous substances may have migrated to other areas and created an expanding plume of contamination which the Settling Defendants contest.

J. From in or about 1998 through the present, the Borough of Northvale has been performing a remedial investigation of the Site pursuant to N.J.S.A. 58:10-23.11f.a. and N.J.A.C. 7:26E, during which the Borough of Northvale, under plaintiff DEP's oversight, has investigated the nature and extent of the contamination.

K. Sampling results from the remedial investigation revealed the presence of various hazardous substances in the ground water and soils at the Site, which the Settling Defendants contend may be, in part, from sites other than the subject Tect site.

L. Ground water is a "natural resource" of the State, as defined in N.J.S.A. 58:10-23.11b., which has been, or may be,

injured by the discharge of hazardous substances at the Tect Property.

M. On November 1, 2000, plaintiff DEP issued a Spill Act directive ("November 1, 2000 Directive") to defendants Tect, Inc. and James W. Patrick, now deceased, whose Estate is now a defendant herein, pursuant to N.J.S.A. 58:10-23.11f.a., directing Tect, Inc. and James W. Patrick to remediate the Site, including performing a remedial investigation and remedial action, and to reimburse the Plaintiffs for their costs for overseeing the specified remedial activities.

N. After various communications among the parties resulting in neither defendant Tect, Inc. nor James W. Patrick, agreeing to comply with the November 1, 2000 Directive, the Borough of Northvale commenced a remedial investigation using public funds, which remedial investigation continues as of the date of the execution of this Consent Judgment.

O. Plaintiff DEP asserts that it has incurred, and will continue to incur, costs to remediate the Site.

P. Plaintiff Administrator asserts that it has certified, and will continue to certify, for payment, valid claims made against the Spill Fund concerning the Site and, further, has approved, and will continue to approve, other appropriations to remediate the Site.

Q. The Plaintiffs also contend that they have incurred, and will continue to incur, costs and damages, including lost value and reasonable assessment costs, for any natural resource of this State that the Plaintiffs contend has been, or may be, injured by the discharge of hazardous substances at the Tect Property.

R. Plaintiffs contend, and Settling Defendants contest, that all costs and damages they allege that they incurred, and will incur, for the Site are "cleanup and removal costs" within the meaning of N.J.S.A. 58:10-23.11b.

S. All parties ("the Parties") to this Consent Judgment ("the Consent Judgment") recognize, and the Court by entering this Consent Judgment finds, that the Parties have negotiated this Consent Judgment in good faith, that the implementation of this Consent Judgment will expedite the remediation of the Site and avoid continued, prolonged and complicated litigation among the Parties, and that this Consent Judgment is fair, reasonable, and in the public interest.

THEREFORE, with the consent of the Parties, it is hereby **ORDERED and ADJUDGED**:

II. JURISDICTION

1. This Court has jurisdiction over the subject matter of this action pursuant to the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 to -23.24 ("the Spill Act"). This Court also has personal jurisdiction over the Parties, solely for the purposes

of this Consent Judgment and the underlying complaint as amended. The Parties waive all objections and defenses they may have to jurisdiction of the Court, or to venue in this County. The Parties shall not challenge the Court's jurisdiction to enforce this Consent Judgment.

III. PARTIES BOUND

2. This Consent Judgment applies to, and is binding upon, the Plaintiffs, defendant Alacer Corp., defendant Estate of James W. Patrick, and their respective successors and assigns.

IV. DEFINITIONS

3. Unless otherwise expressly provided, terms used in this Consent Judgment that are defined in the Spill Act or in the regulations promulgated under the Spill Act, shall have their statutory or regulatory meaning. Whenever the terms listed below are used in this Consent Judgment, the following definitions shall apply:

"Administrator" shall mean the Administrator of the New Jersey Spill Compensation Fund, who is appointed pursuant to N.J.S.A. 58:10-23.11j.

"Consent Judgment" shall mean this Consent Judgment.

"Day" shall mean a calendar day unless expressly stated to be a working day. "Working day" shall mean a day other than a Saturday, Sunday, or State holiday. In computing time under this Consent Judgment, where the last day would fall on a Saturday,

Sunday, or State holiday, time shall run until the close of business of the next working day.

"DEP" shall mean the New Jersey Department of Environmental Protection and any successor department or agency of the State.

"Effective Date of this Consent Judgment" shall be the date upon which this Consent Judgment is entered by the Court.

"Future Cleanup and Removal Costs" shall mean all costs, including direct and indirect costs, that plaintiffs DEP and Administrator have incurred, or will incur, after the Effective Date of this Consent Judgment, to remediate the Site.

"Interest" shall mean interest at the rate established in paragraph 7(d) below.

"Natural Resources" as used in this Settlement Agreement includes all land, fish, shellfish, wildlife, biota, air, waters and other such resources owned, managed, held in trust or otherwise controlled by the State.

"Natural Resource Damages" as used in this Consent Judgment includes all claims, arising from a discharge of hazardous substances at the Property that occurred prior to the effective date of this Consent Judgment, recoverable as natural resource damages under the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601 et seq. ("CERCLA"), the Oil Pollution Act, 33 U.S.C. §§ 2701 et seq., the Clean Water Act, 33 U.S.C. §§ 1251 et seq., the Spill Compensation

and Control Act, N.J.S.A. 58:10-23.11 et seq., or any other state or federal common law, statute, or regulation including:

- (a) The payment of compensation for the lost value of, injury to, or destruction of natural resources and natural resource services, including but not limited to the costs of assessments, attorney's fees, consultant's or expert's fees, interest, or any other expenses or costs;
- (b) The restoration of injured natural resources and natural resource services; and
- (c) Natural Resource Damages do not include, however, either:
 - (1) Compliance, during the remediation, with any statutory or regulatory requirement that is not within this definition of Natural Resource Damages, for example, without limitation, the mitigation of freshwater wetlands as required by N.J.A.C. 7:7A; or
 - (2) Restoration or other compensation for injury to natural resources caused after the effective date of this Consent Judgment by implementation of any remedial action, including a compensatory restoration remedial action, for the Site.

"Paragraph" shall mean a portion of this Consent Judgment identified by an arabic numeral or an upper case letter.

"Parties" shall mean plaintiff DEP, plaintiff Administrator and the Settling Defendants.

"Past Cleanup and Removal Costs" shall mean all costs, including direct and indirect costs, plaintiffs DEP and Administrator incurred on or before the Effective Date of this Consent Judgment, to remediate the Site.

"Remediation" shall mean the remediation of the Site in accordance with the Spill Act and the regulations promulgated under the Spill Act, including N.J.A.C. 7:26E. Remediation also shall include the assessment, mitigation, restoration or replacement any natural resource of this State that has been, or may be, injured by the discharge of hazardous substances at the Tect Property.

"Section" shall mean a portion of this Consent Judgment identified by a roman numeral.

"Settling Defendants" shall mean defendants Alacer Corp. and the Estate of James W. Patrick ("the Estate"), and any successor, assign, trustee in bankruptcy, or receiver appointed pursuant to a proceeding in law or equity.

"Site" shall mean the Tect, Inc. property, consisting of approximately 2.25 acres of real property located at 254 Livingston Street, Borough of Northvale, Bergen County, New Jersey, this property being also known and designated as Block 303, Lot 5, on the Tax Map of Northvale Borough (the "Tect Property"), and all

other areas where any hazardous substance discharged there has become located.

"Spill Act" shall mean the New Jersey Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 to -23.24.

"Spill Fund" shall mean the New Jersey Spill Compensation Fund established pursuant to N.J.S.A. 58:10-23.11i.

V. PARTIES' OBJECTIVES

4. The Parties' objectives in entering into this Consent Judgment are to protect public health and safety and the environment by the Settling Defendants agreeing to a fixed amount of reimbursement to Plaintiffs for certain Past Cleanup and Removal Costs, Future Cleanup and Removal Costs and Natural Resource Damages, in return for Plaintiffs agreeing to resolve their claims against the Settling Defendants concerning the Site as stated in this Consent Judgment.

5. The Parties agree that, in further consideration for the Settling Defendants' payment pursuant to Paragraph 7, Plaintiffs agree to dismiss all claims against the Settling Defendants in New Jersey and California, as more fully detailed in paragraph 15.

VI. COMMITMENTS OF SETTLING DEFENDANTS

6. The Settling Defendants shall pay to the Plaintiffs a total sum of Two Million Dollars (\$2,000,000.00) in full and final settlement of any and all of its liabilities or obligations with respect to the Site and with respect to any and all other

obligations, claims or causes of action in connection with the underlying action in accordance with, and subject to, the terms of this Consent Judgment, on such terms and conditions as are set forth below.

7. Within 30 days of the Effective Date of this Consent Judgment, the Settling Defendants shall pay plaintiffs, DEP and the Administrator, the sum of Four Hundred Thousand Dollars (\$400,000.00).

a. Within ninety (90) days of the Effective Date of this Consent Judgment, the Settling Defendants shall pay plaintiffs, DEP and the Administrator, an additional sum of One Hundred Thousand Dollars (\$100,000.00);

b. At the end of the next three (3) successive quarterly periods (90 days), the Settling Defendants shall pay the plaintiffs, DEP and the Administrator, the sum of One Hundred Thousand Dollars (\$100,000.00) at the end of each said period, so that at the end of the first year from the Effective Date of this Consent Judgment, the plaintiffs, DEP and the Administrator, shall have received a total of Eight Hundred Thousand Dollars (\$800,000.00), plus interest as provided in subparagraph 7(d);

c. For years two through five following the Effective Date of this Consent Judgment, the Settling Defendants shall pay plaintiffs, DEP and the Administrator, the sum of Seventy Five Thousand Dollars (\$75,000.00) at the end of each successive quarter

(90 day period), plus interest on the balance due as set forth in paragraph 7(d) below, so that at the conclusion of years two through five from the Effective Date of this Consent Judgment the plaintiffs, DEP and the Administrator, shall have received an additional total of One Million Two Hundred Thousand Dollars (\$1,200,000.00) in principal, for a total principal payment of Two Million Dollars (\$2,000,000.00), fulfilling the Settling Defendants' obligation for payment pursuant to the within Consent Judgment;

d. Each payment shall also include interest at the rate of three percent (3%) per annum, or the prevailing judicial rate of interest, whatever is higher at the time of payment, on the unpaid balance, which interest shall commence to accrue as of thirty (30) days from the date on which the Consent Judgment is effective. Payments of principal and interest as set forth herein shall continue until the full principal balance and any accrued interest are paid in full.

8. All payments due from the Settling Defendants, as set forth in paragraphs 6 and 7 above, shall be by certified check or bank check made payable to the "Treasurer, State of New Jersey." The Settling Defendants shall mail or otherwise deliver the payment and payment invoice to the Section Chief, Natural Resource Damages and Cost Recovery Section, Department of Law and Public Safety,

Division of Law, Richard J. Hughes Justice Complex, 25 Market Street, P.O. Box 093, Trenton, New Jersey 08625-0093.

VII. FAILURE TO MAKE TIMELY PAYMENTS

9. Interest on Late Payments. In the event that any of the required payments set forth in Section VI are not made when due, interest, as set forth in Paragraph 7(d), shall continue to accrue on the unpaid balance, through the date of payment.

10. Stipulated Penalty. If any amount due to Plaintiffs under this Consent Judgment is not paid by the required date, the Estate shall pay a stipulated penalty, in addition to the interest required by Paragraph 9. The amount of the stipulated penalty shall be as follows:

<u>Number of days the payment is late, excluding the day the payment is due</u>	<u>Amount of penalty, per day</u>
1-5	\$500.00
6	\$1,000.00
7+	\$2,000.00

Stipulated penalties are due and payable within thirty (30) days of Settling Defendants' receipt from Plaintiffs of a demand for payment of penalties. All payments under this Paragraph shall be made in the same form and manner as specified in Paragraph 8. Penalties shall accrue as provided above regardless of whether the

Plaintiffs have notified Settling Defendants of the violation or have made a demand for payment, but need only be paid upon demand.

11. If the Plaintiffs must bring an action to collect any payment required by this Consent Judgment, Settling Defendants shall reimburse the Plaintiffs for all reasonable costs of such action, including attorneys' fees and costs.

12. Payments made under this Section shall be in addition to any other remedies or sanctions available to Plaintiffs by virtue of Settling Defendants' failure to make timely payments required by this Consent Judgment.

VIII. DEP & THE ADMINISTRATOR'S COVENANTS

13. In consideration of the payments the Settling Defendants are making pursuant to Paragraphs 6 and 7 above, and except as otherwise provided in Paragraph 18 below, the Plaintiffs covenant not to further sue or to take administrative or other civil action against the Settling Defendants for reimbursement of the Past Cleanup and Removal Costs and Future Cleanup and Removal Costs the Plaintiffs have incurred, and will incur, for the Site.

14. In further consideration of the payments the Settling Defendants are making pursuant to Paragraphs 6 and 7 above, and except as otherwise provided in Paragraph 17 below, the Plaintiffs covenant not to further sue or to take administrative action against the Settling Defendants for reimbursement of the Natural Resource Damages or any other damages including, but not limited to

damages excluded from the definition of Natural Resources Damages as defined in paragraph 3 above, the Plaintiffs have incurred, or may incur, for the Site.

15. In further consideration of the payments the Settling Defendants are making pursuant to Paragraphs 6 and 7 above, the Plaintiffs shall promptly withdraw their claim in the Superior Court of the State of California, with prejudice, against the Estate of James W. Patrick in In re. the Estate of James W. Patrick, Case No. A221255, and shall dismiss their complaint in the Superior Court of the State of California, with prejudice, against the Trustees of the James W. Patrick Trust in New Jersey Department of Environmental Protection, et al. v. Ronald J. Patrick, et al., Case No. 05CC03432. Copies of the general form of dismissal documents to be signed and filed to terminate these cases are attached hereto as Appendices A and B respectively.

16. The covenants contained in Paragraphs 13 through 15 above shall take effect upon the effective date of this Consent Judgment, subject to the plaintiffs DEP and Administrator receiving each payment the Settling Defendants are required to make pursuant to Paragraphs 6 and 7 above, in full, and in the prescribed time and manner.

17. The covenants contained in Paragraphs 13 through 15 above are further conditioned upon the Settling Defendants' satisfactory performance of their other obligations under this Consent Judgment,

and extend only to the Settling Defendants, and not to any other person.

IX. DEP & ADMINISTRATOR'S RESERVATIONS

18. The covenants contained in Paragraphs 13 through 15 above do not pertain to any matters other than those expressly stated. The Plaintiffs reserve, and this Consent Judgment is without prejudice to, all rights against the Settling Defendants concerning all other matters, including criminal liability.

X. SETTLING DEFENDANTS' COVENANTS

19. The Settling Defendants covenant not to oppose entry of this Consent Judgment by this Court, or to challenge any provision of this Consent Judgment, unless the Plaintiffs notify the Settling Defendants, in writing, that they no longer support entry of the Consent Judgment.

20. The Settling Defendants further covenant, subject to Paragraph 21 below, not to sue or assert any claim or cause of action against the State, including any department, agency or instrumentality of the State, concerning the Site. This covenant shall include the following:

- a. any direct or indirect claim for reimbursement from the Spill Fund; and
- b. any claim or cause of action concerning the remediation of the Site, including plaintiff DEP's selection, performance

or oversight of the remediation, or plaintiff DEP's approval of the plans for the remediation.

21. Nothing in this Consent Judgment shall be deemed to constitute preauthorization of a claim against the Spill Fund within the meaning of N.J.S.A. 58:10-23.11k. or N.J.A.C. 7:1J.

XI. FINDINGS & ADMISSIONS OF LIABILITY

22. Nothing contained in this Consent Judgment shall be considered an admission by the Settling Defendants, or a finding by the Plaintiffs, of any wrongdoing or liability on the Settling Defendants' part for anything that occurred at the Site or for any hazardous substance discharged at the Site as of the effective date of this Consent Judgment. The total settlement payment as set forth in this Consent Judgment includes all of the Plaintiffs' claims for Past Cleanup and Removal Costs and Future Cleanup and Removal Costs the Plaintiffs have incurred, and will incur, for the Site, including but not limited to costs incurred as a result of the migration of hazardous substances and contamination from the Property; and reimbursement and compensation for Natural Resource Damages the Plaintiffs have incurred, and will incur, for the Site, including Natural Resource Damages incurred as a result of the migration of hazardous substances and contamination from the Property.

XII. EFFECT OF SETTLEMENT; CONTRIBUTION PROTECTION

23. Nothing in this Consent Judgment shall be construed to create any rights in, or grant any cause of action to, any person not a Party to this Consent Judgment. The preceding sentence shall not be construed to waive or nullify any rights that any person not a signatory to this Consent Judgment may have under applicable law.

24. The Settling Defendants expressly reserve all rights, including any right to contribution, defenses, claims, demands, and causes of action that the Settling Defendants may have concerning any matter, transaction, or occurrence concerning the Site against any person or entity not a party to this Consent Judgment.

25. The Parties agree, and by entering this Consent Judgment this Court finds, that the Settling Defendants are entitled to protection from contribution actions or claims for matters addressed in this Consent Judgment, as of the effective date of this Consent Judgment.

XIII. GENERAL PROVISIONS

26. The Plaintiffs enter into this Consent Judgment pursuant to the police powers of the State of New Jersey for the enforcement of the laws of the State and the protection of the public health and safety and the environment. All obligations imposed upon the Settling Defendants by this Consent Judgment are continuing regulatory obligations pursuant to these police powers.

27. No payment owed or made pursuant to this Consent Judgment is intended to constitute a debt, damage claim, penalty or other claim that may be limited or discharged in a bankruptcy proceeding.

28. This Consent Judgment shall be submitted to the Court for approval immediately upon the signature of all parties evidencing their consent to the Consent Judgment.

29. Entering into the within Consent Order is contingent upon approval by the California Probate Court in connection with said Court's jurisdiction over and involvement in matters related to the Estate of James W. Patrick, as well as said Court's potential involvement in jurisdiction over any other entity which is or was involved in the underlying litigation, including but not necessarily limited to the James W. Patrick Trust and its Trustees. The within form of Order shall be submitted to the Court for approval immediately upon the signature of all parties evidencing their consent to the form of Order and all exhibits.

XIV. ACCESS TO INFORMATION

30. Upon receipt of a written request by plaintiff DEP or plaintiff Administrator, the Settling Defendant of whom the request is made shall submit or make available to plaintiff DEP all information the Settling Defendants have concerning the Site, including technical records and contractual documents.

31. The Settling Defendant that receives a request pursuant to Paragraph 30 above may assert a claim of confidentiality or

privilege for any information submitted to plaintiff DEP or plaintiff Administrator pursuant to this Consent Judgment, which assertion the Plaintiffs may contest, and which dispute, if the Parties cannot resolve it, the Court retains jurisdiction to decide. The Settling Defendant, however, agrees not to assert any privilege or confidentiality claim concerning data related to Site conditions, sampling, or monitoring.

32. Each Settling Defendant shall preserve for a minimum of 10 years from the Effective Date of this Consent Judgment, all data and information, including technical records, potential evidentiary documentation and contractual documents, in the Settling Defendants' possession or in the possession of its divisions, employees, agents, accountants, contractors, or attorneys, which in any way concern the Site, despite any document retention policy to the contrary.

33. After the 10-year period specified in Paragraph 32 above, the Settling Defendant may request of plaintiff DEP, in writing, that it be allowed to discard any such documents. Such a request shall be accompanied by a description of the documents involved, including the name of each document, date, name and title of the sender and receiver and a statement of contents. Upon receiving written approval from plaintiff DEP, the Settling Defendant may discard only those documents plaintiff DEP and plaintiff

Administrator do not require the Settling Defendant to preserve for a longer period.

34. With respect to the documents referred to in paragraphs 30 through 33 above, Settling Defendants represent that they have no data or reports with respect to technical records, contractual documents, or similar documentation with respect to the Site, with the exception of its environmental report and all supporting documentation, which report was entitled Environmental Expert Report with respect to The Former Tect and Danzig Facility, 254 Livingston Street, Block 303, Lot 5, Northvale Borough, Bergen County, New Jersey, and dated March 17, 2006, prepared by Eikon Planning & Design, LLC, which said documentation was submitted to Plaintiffs in connection with the mediation process in the above captioned action. Settling Defendants agree that New Jersey counsel shall retain said documents in accordance with the provision of this Consent Judgment.

XV. RETENTION OF RECORDS

35. Settling Defendants agree to maintain, preserve, and supply Plaintiffs, upon reasonable request, with copies of all corporate governing documentation with respect to Settling Defendant, Alacer Corp., including all entity documentation and organizational documentation relating to ownership and control of said Settling Defendant. Said Settling Defendant shall also provide Plaintiffs with advance notice of any change in control of

said Settling Defendant, including merger, consolidation, or acquisition relating to any other entities or third parties not presently a party to the within action. This paragraph shall remain operative so long as any payments remain due and owing pursuant to paragraphs 6 and 7 of this Consent Judgment. Plaintiffs' right to seek such documentation from Settling Defendant shall be limited to the event of a prospective change in ownership or control of Defendant Alacer to provide Plaintiffs with an opportunity to determine whether or not any such change in ownership or control may be deemed by the Plaintiffs to have a significant effect on the payment obligations of Settling Defendants pursuant to this Consent Judgment.

XVI. NOTICES AND SUBMISSIONS

36. Except as otherwise provided in this Consent Judgment, whenever written notice or other documents are required to be submitted by one Party to another, they shall be directed to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other Parties in writing.

37. All submissions shall be considered effective upon receipt, unless otherwise provided in this Consent Judgment.

As to Plaintiffs DEP & Administrator:

Section Chief
Natural Resource Damages and Cost Recovery Section
Department of Law & Public Safety
Division of Law
Richard J. Hughes Justice Complex
P.O. Box 093
Trenton, New Jersey 08625-0093
609-984-4863

As to Defendant Alacer Corp.:

Steven L. Davis, Esq.
Schiffman, Abraham, Kaufman & Ritter, P.C.
Three University Plaza
P.O. Box 568
Hackensack, NJ 07602-0568
(201) 488-2600

With a copy to:
J. John Anderholt, III, Esq.
Anderholt & Turner
74770 Highway 111, Suite 201
Indian Wells, CA 92210

As to Defendant, Estate of James W. Patrick:
Steven L. Davis, Esq.
Schiffman, Abraham, Kaufman & Ritter, P.C.
Three University Plaza
P.O. Box 568
Hackensack, NJ 07602-0568
(201) 488-2600

With a copy to:
Edward H. Stone, Esq.
Edward H. Stone, A Law Corporation
18201 Von Karman Avenue
Suite 1160
Irvine, CA 92612-1005

XVII. RETENTION OF JURISDICTION

38. This Court retains jurisdiction over both the subject matter of this Consent Judgment and the Parties for the duration of

the performance of the terms and provisions of this Consent Judgment for the purpose of enabling any of the Parties to apply to the Court at any time for such further order, direction, and relief as may be necessary or appropriate for the construction of this Consent Judgment, or to effectuate or enforce compliance with its terms, or to resolve disputes, including any appeal from an administrative determination of a dispute between the parties.

XVIII. FINAL AGREEMENT

39. This Consent Judgment represents the entire integrated agreement between the Plaintiffs and the Settling Defendants concerning the Site, and supersedes all prior negotiations, representations or agreements, either written or oral, unless otherwise specifically provided. Any subsequent modification to this Consent Judgment agreed upon by the Parties must be made in writing and signed by all Parties.

40. Nothing in this Consent Judgment shall be deemed to alter the Court's power to enforce, supervise or approve this Consent Judgment.

IXX. SIGNATORIES/SERVICE

41. Each undersigned representative of a Party to this Consent Judgment certifies that he or she is authorized to enter into the terms and conditions of this Consent Judgment, and to execute and legally bind such party to this Consent Judgment. Settling Defendant, Alacer Corp., shall submit to the Plaintiffs a

Resolution of its Board of Directors, substantially in the form attached hereto as Appendix "C", confirming its review, acknowledgment and acceptance of the terms and conditions of the within Consent Judgment and, in particular, affirming its obligation to notify Plaintiffs and provide Plaintiffs with appropriate corporate documentation, prospectively, with respect to any pending change in ownership or control of the corporation, and that the corporation acknowledges and consents to the jurisdiction of the Courts of the State of New Jersey for purposes of enforcement of any provision of this Consent Judgment.

42. This Consent Judgment may be signed and dated in any number of counterparts, each of which shall be an original, and such counterparts shall together be one and the same Consent Judgment.

43. Each Settling Defendant shall identify on the attached signature pages, the name, address and telephone number of an agent who is authorized to accept service of process by mail on its behalf with respect to all matters arising under or relating to this Consent Judgment. The Settling Defendants agree to accept service in this manner, and to waive the formal service requirements set forth in R. 4:4-4, including service of a summons.

SO ORDERED this day of , 2006.

Lawrence D. Smith, J.S.C.

NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION

By: _____

Irene S. Kropp
Assistant Commissioner, Site
Remediation & Waste Management

Dated:

NEW JERSEY SPILL COMPENSATION
FUND

By: _____

Leonard J. Romino, Administrator
New Jersey Spill Compensation
Fund

Dated:

NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION

By: _____

Amy Cradic
Assistant Commissioner, Natural
& Historic Resources

Dated:

ZULIMA V. FARBER
ATTORNEY GENERAL OF
NEW JERSEY

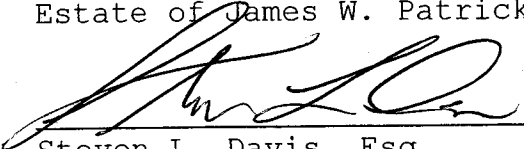
By: _____

A. Paul Stofa
Deputy Attorney General

Dated:

SCHIFFMAN ABRAHAM
KAUFMAN & RITTER, P.C.
Attorneys for Defendants,
Alacer Corp. and the
Estate of James W. Patrick

By: _____


Steven L. Davis, Esq.

Dated:

8/29/06

Person Authorized to Accept Service With Respect To All Matters
Pertaining To This Consent Judgment on Behalf of Defendants
Alacer Corp. and the Estate of James W. Patrick.

Name: Steven L. Davis, Esq.
Title: Partner
Address: Schiffman, Abraham, Kaufman & Ritter, P.C.
Three University Plaza, Suite 410
P.O. Box 568
Hackensack, NJ 07602-0568
Telephone No.: (201) 488-2600
Fax No.: (201) 488-5059

APPENDIX A

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name and Address): Sean A. O'Keefe, State Bar No. 122417 Winthrop Couchot, P.C. 660 Newport Center Drive, Ste. 400 Newport Beach, CA 92660 ATTORNEY FOR (Name): Ronald Patrick, Thaddeus Smith & James Turner, Trustees	TELEPHONE NO.: 949.720.4100	FOR COURT USE ONLY
Insert name of court and name of judicial district and branch court, if any: <div style="text-align: center; padding: 5px;"> Superior Court, Orange County, Central Justice Center </div>		
PLAINTIFF/PETITIONER: New Jersey Department of Envir. Protection; Administrator N.J. Spill Compensation Fund DEFENDANT/RESPONDENT: Ronald J. Patrick, executor, et. al.		
REQUEST FOR DISMISSAL <input type="checkbox"/> Personal Injury, Property Damage, or Wrongful Death <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other <input type="checkbox"/> Family Law <input type="checkbox"/> Eminent Domain <input type="checkbox"/> Other (specify):		CASE NUMBER: <div style="text-align: center; font-size: 1.2em;">05CC03432</div>

— A conformed copy will not be returned by the clerk unless a method of return is provided with the document. —

1. TO THE CLERK: Please dismiss this action as follows:

- a. (1) ☒ With prejudice (2) ☐ Without prejudice
- b. (1) ☐ Complaint (2) ☐ Petition
- (3) ☐ Cross-complaint filed by (name):
- (4) ☐ Cross-complaint filed by (name):
- (5) ☒ Entire action of all parties and all causes of action
- (6) ☐ Other (specify):*

on (date):
on (date):

Date:

(TYPE OR PRINT NAME OF ☐ ATTORNEY ☐ PARTY WITHOUT ATTORNEY)
 * If dismissal requested is of specified parties only, of specified causes of action only, or of specified cross-complaints only, so state and identify the parties, causes of action, or cross-complaints to be dismissed.

(SIGNATURE)
 Attorney or party without attorney for:

☐ Plaintiff/Petitioner ☒ Defendant/Respondent
☐ Cross-complainant

2. TO THE CLERK: Consent to the above dismissal is hereby given.**

Date:

(TYPE OR PRINT NAME OF ☐ ATTORNEY ☐ PARTY WITHOUT ATTORNEY)
 ** If a cross-complaint—or Response (Family Law) seeking affirmative relief—is on file, the attorney for cross-complainant (respondent) must sign this consent if required by Code of Civil Procedure section 581(i) or (j).

(SIGNATURE)
 Attorney or party without attorney for:

☐ Plaintiff/Petitioner ☐ Defendant/Respondent
☐ Cross-complainant

(To be completed by clerk)

3. ☐ Dismissal entered as requested on (date):
4. ☐ Dismissal entered on (date): as to only (name):
5. ☐ Dismissal **not** entered as requested for the following reasons (specify):
6. ☐ a. Attorney or party without attorney notified on (date):
 b. Attorney or party without attorney not notified. Filing party failed to provide
 ☐ a copy to conform ☐ means to return conformed copy

Date:

Clerk, by _____, Deputy

APPENDIX B

ATTORNEY OR PARTY WITHOUT ATTORNEY (<i>Name and Address</i>): JOSEPH A. WALKER, State Bar No. 47223 JASON MATTHEW LAMB, State Bar No. 222191 THE WALKER LAW FIRM, A Professional Corporation 1301 Dove Street, Suite 450 Newport Beach, California 92660-2484 Telephone: (949) 752-2522		TELEPHONE NO.: <div style="text-align: right;">FOR COURT USE ONLY</div>
ATTORNEY FOR (<i>Name</i>): <i>(Insert name of court and name of judicial district and branch court, if any.)</i> SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF ORANGE, CENTRAL JUSTICE CENTER		NOT FOR FILING
PLAINTIFF/PETITIONER: NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION; ADMINISTRATOR NEW JERSEY SPILL COMPENSATION FUND DEFENDANT/RESPONDENT: RONALD J. PATRICK, Personal Representative/Executor of the Estate of James W. Patrick, et al.		
REQUEST FOR DISMISSAL <input type="checkbox"/> Personal Injury, Property Damage, or Wrongful Death <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other <input type="checkbox"/> Family Law <input type="checkbox"/> Eminent Domain <input checked="" type="checkbox"/> Other (<i>specify</i>): COMPLAINT TO SET ASIDE FRAUDULENT TRANSFER		CASE NUMBER: 05CC03432 NOT FOR FILING

— A conformed copy will not be returned by the clerk unless a method of return is provided with the document. —

1. TO THE CLERK: Please dismiss this action as follows:
- a. (1) ☒ With prejudice (2) ☐ Without prejudice
- b. (1) ☒ Complaint (2) ☐ Petition
- (3) ☐ Cross-complaint filed by (name):
- (4) ☐ Cross-complaint filed by (name):
- (5) ☐ Entire action of all parties and all causes of action
- (6) ☐ Other (specify):
- on (date):
- on (date):

Date: _____, 2008 THE WALKER LAW FIRM, A Professional Corporation

(TYPE OR PRINT NAME OF ☒ ATTORNEY ☐ PARTY WITHOUT ATTORNEY) Attorney or party without attorney for: N.J. DEPT. ENVTL.

- If dismissal requested is of specified parties only, of specified causes of action only, or of specified cross-complaints only, so state and identify the parties, causes of action, or cross-complaints to be dismissed.
- ☒ Plaintiff/Petitioner ☐ Defendant/Respondent
☐ Cross-complainant

2. TO THE CLERK: Consent to the above dismissal is hereby given."

Data:

(SIGNATURE)

(TYPE OR PRINT NAME OF ☐ ATTORNEY ☐ PARTY WITHOUT ATTORNEY) Attorney or party without attorney for:

- ☐ Plaintiff/Petitioner ☐ Defendant/Respondent
☐ Cross-complainant

- (To be completed by clerk)
3. ☐ Dismissal entered as requested on (date): _____ as to only (name): _____
4. ☐ Dismissal entered on (date): _____
5. ☐ Dismissal not entered as requested for the following reasons (specify): _____
6. ☐ a. Attorney or party without attorney notified on (date): _____
- b. Attorney or party without attorney not notified. Filing party failed to provide
☐ a copy to conform ☐ means to return conformed copy

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Date: _____ Clerk, By _____, Deputy

Form Adopted by the **REQUEST FOR DISMISSAL** Legal Code of Civil Procedure, § 581 et seq. Cal. Rules of Court, rules 383, 1233

Judicial Council of California
 997(m)53 Rev. January 1, 1987

FD-1003

00/00/0000 THU 10:00 [TX/RX NO 6061]

06/20/2006 TUE 18:29 [TX/RX NO 6961]

APPENDIX C

**RESOLUTION OF THE BOARD OF DIRECTORS OF
ALACER CORPORATION
APPROVING THE TERMS OF CONDITIONS OF CONSENT JUDGMENT
BY UNANIMOUS WRITTEN CONSENT**

WHEREAS, the Board of Directors ("Board") of Alacer Corp., a California corporation ("Alacer") has reviewed the terms and conditions of the Consent Judgment dated _____, 2006 by and between plaintiffs New Jersey Department of Environmental Protection, et al. ("Plaintiffs"), and defendants Alacer and the Estate of James W. Patrick ("Consent Judgment");

WHEREAS, the Board believes it is in the best interests of Alacer to avoid the costs and time associated with the continued litigation of the matter, resolving all issues and claims against Alacer with finality and avoiding further proceedings;

WHEREAS, the action set forth below is taken by unanimous written consent of the Board of Alacer, without a meeting in accordance with California Corporations Code section 307 and the Bylaws of Alacer.

RESOLVED, that the Board acknowledges and accepts the terms and conditions of the Consent Judgment

RESOLVED FURTHER, that the Board affirms Alacer's obligation to notify Plaintiffs and provide Plaintiffs with appropriate corporate documentation, prospectively, with respect to any pending change in ownership or control of the corporation; and

RESOLVED FURTHER, that the Board on behalf of Alacer consents to the jurisdiction of the Courts of the State of New Jersey for the purposes of enforcing the provisions of the Consent Judgment.

RESOLVED FURTHER, that the Board on Behalf of Alacer consents that the Judgment can be enforced in California under the Sister-State Money Judgment Act, Code of Civil Procedure section 1710.10 through 1710.65; and should there be a properly entered judgment under that act, Alacer agrees it will not move to vacated the judgment or seek a stay of enforcement in California.

RESOLVED FURTHER, that this Resolution by Unanimous Consent may be executed in counterparts and shall be effective for all purposes on _____, 2006.

Dated: _____

By: _____
James D. Turner, Chairman

Dated: _____

By: _____
Ronald J. Patrick, Director

Dated: _____

By: _____
Thaddeus Smith, Director

Dated: _____

By: _____
Gary Lovell, Director

**CERTIFICATE OF THE SECRETARY OF ALACER CORP., a
CALIFORNIA CORPORATION**

The undersigned, Thaddeus Smith, the Secretary of Alacer Corp., a California corporation ("Alacer"), hereby certifies:

(1) That he was at all times mentioned in this certificate as the duly elected and acting Secretary of the Company.

(2) That the resolutions set out below were adopted by unanimous written consent of the Board of Directors ("Board") of Alacer without a meeting pursuant to California Corporations Code section 307 and the Bylaws of Alacer effective for all purposes on _____, 2006:

RESOLVED, that the Board acknowledges and accepts the terms and conditions of the Consent Judgment

RESOLVED FURTHER, that the Board affirms Alacer's obligation to notify Plaintiffs and provide Plaintiffs with appropriate corporate documentation, prospectively, with respect to any pending change in ownership or control of the corporation; and

RESOLVED FURTHER, that the Board on behalf of Alacer consents to the jurisdiction of the Courts of the State of New Jersey for the purposes of enforcing the provisions of the Consent Judgment.

RESOLVED FURTHER, that this Resolution by Unanimous Consent may be executed in counterparts and shall be effective for all purposes on _____, 2006.

(3) That the foregoing resolutions have not been modified, amended, or revoked in any respect and are in full force and effect as of the date of this certificate.

(4) That the Resolution was signed by all Directors of the Board who can legally bind Alacer.

(5) That there has been no other action taken, or resolutions adopted, by the Board or any of its committees related to or affecting the subject matter of the resolutions.

In witness whereof, I have signed this Certificate of the Secretary at Irvine, California on _____, 2006.

Thaddeus Smith, Secretary